CITY OF REDDING



Connie Strohmayer, City Clerk
Parnela Mize, Assistant City Clerk

OFFICE OF THE CITY CLERK

777 Cypress Avenue, Redding, CA 96001 PO. Box 496071, Redding, CA 96049-6071 530.225.4055 FAX 530.225.4463

May 20, 2009

Redflex Traffic Systems Inc. Attn: Karen Turner 23751 N. 23rd Ave. Suite 150 Phoenix, AZ 85085-1854

SUBJECT: First Amendment to Agreement for Photo Red Light Enforcement Program, C-4649

Dear Ms. Turner:

Enclosed is a fully executed original of the above subject Amendment to Agreement by and between the City of Redding and Redflex Traffic Systems regarding the Photo Red Light Enforcement Program:

The agreement was approved by the Redding City Council at its regular meeting of April 21, 2009.

If you have any questions regarding this matter, or if we can be of assistance, please contact the Office of the City Clerk at (530) 225-4439.

Sincerely,

CONNIE STROHMAYER
City Clerk

By:

Margery Stockwell

Executive Assistant I

Enclosure



FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF REDDING AND REDFLEX TRAFFIC SYSTEMS, INC (CALIFORNIA) FOR PHOTO RED LIGHT ENFORCEMENT PROGRAM

PARTIES AND DATE

This First Amendment ("Amendment") is made and entered into this 1st day of June, 2009. This amendment is made and entered into by and between Redflex Traffic Systems, Inc ("Redflex"); a corporation with offices at 6047 Bristol Parkway 1st Floor, Culver City, California 90230 ("Redflex"), and the City of Redding, a municipal corporation, with offices at 777 Cyprus Avenue, Redding, CA (the "Customer").

Cypress WITNESSETH

WHEREAS, Redflex and the Customer have previously entered into an agreement dated February 6th 2007 (hereafter referred to as the "Agreement"); and

WHEREAS, under the Agreement, Redflex provides certain services to the Customer concerning the use of traffic cameras to enforce certain traffic violations in order to improve traffic safety by reducing red-light violations; and

WHEREAS, Redflex and the Customer wish to amend the Agreement as permitted by the terms of the Agreement;

NOW THEREFORE, in consideration of mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. Paragraph 2 of the Agreement entitled TERM is amended in its entirety to read as follows:

"From the executed date of this First Amendment, the term of this Agreement will continue for a period of three (3) years (the "Initial Term"). The Customer shall have the right, but not the obligation, to extend the term of the Agreement for up to two (2) additional, consecutive two (2) year periods following the expiration of the Initial Term (each, a "Renewal Term" and collectively with the Initial Term, the ("Term"). The Customer may exercise the right to extend the term of this agreement for Renewal Term by providing written notice to Redflex not less than thirty (30) days prior to the last day of the Initial Term or Renewal Term, as the case may be."

2. "Exhibit "D" COMPENSATION AND PRICING" is replaced in its entirety with the attached revised Exhibit "D" signed by the Customer and Redflex attesting to the agreed changes. Revised Exhibit "D" shall become operative upon the executed date of this Amendment.

Approved 4-21-09

C-4649

All other provisions of the Agreement shall remain in effect.

IN THE WITNESS WHEREOF, the parties hereto have executed the Amendment as of the first date first set forth above.

CITY OF REDDING

REDFLEX TRAFFIC SYSTEMS, INC.,

By

RICK BOSETTI, MAYOR

Aaron Rosenberg, PhD

Executive Vice President Redflex Traffic Systems Inc

ATTEST:

CONNIE STROHMAYER, City Clerk

Form Approved

Barry E. DeWalt Assistant City Attorney

EXHIBIT "D" COMPENSATION & PRICING

Commencing on executed date of this First Amendment, and on the expiration of the Warning Period for each Designated Intersection Approach, Customer shall be obligated to pay Redflex a fixed fee of \$5,500 for one to two lanes, and \$6,000 for three or four lanes as full remuneration for performing all of the services contemplated in the Agreement.

Cost Neutrality

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Cost neutrality is assured to Customer. Cost neutrality is assured to Customer using this methodology as Customer will never pay Redflex more than actual cash received.

The Customer agrees to pay Redflex within thirty (30) days after the invoice is received. City shall be obligated to pay the cumulative balance invoiced by Redflex. In accordance with the terms set forth above to the extent of gross cash received by the City from automated red light violations. In the event that a balance remains unpaid due to a deficit in gross cash received by the City compared to invoiced amounts, city will provide to Redflex with each monthly payment, an accounting of such gross receipts supporting the amount withheld.

- 1. In the event that the contract ends or is terminated and an invoiced balance is still owed to Redflex, all subsequent receipts from automated red light violations for a period of 12 months from the date of termination will be applied to such balance and paid to Redflex.
- 2. Payment will only be made by Customer up to the amount of cash received by Customer from the County through collection of red light citation up to the amount currently due.
- Customer to open special revenue account and payments to Redflex will come only from the available balance in that account up to the amount currently due, including any unpaid prior invoiced amounts.
- 4. Intersection approaches can be relocated to a new site at the customers request and expense.

Customer Operating Costs

Any gross cash receipts received by the Customer from Shasta County through the collection of red light citations shall first be applied to the Customer's monthly program operating costs ("Customer Operating Costs") which has been established at \$500 per Operational Approach per month. In order to ensure cost neutrality to the Customer, Customer will only be obliged to pay Redflex from the gross cash receipts received from Shasta County after first withholding Customer Operating Costs. In the event that balance remains unpaid due to a deficit in gross cash received by the Customer compared

to the invoiced amount, Customer will provide Redflex, with payments, an accounting of such amounts supporting non payment of full invoiced amount and balance remaining.

Example:

Month 1

Gross Revenue to City for month	\$40,000
Withheld Operating Cost (7 x \$500)	\$3,500
Balance	\$36,500
Redflex Invoice for month 1	\$42,000
Payment to Redflex	\$36,500

Check to Redflex for \$36,500 with accounting as above. Remaining balance of \$5,500 carried forward under Cost Neutrality provisions.

Month 2

Gross Revenue to City for month	\$56,000
Withheld Operating Cost (7 x \$500)	\$3,500
Balance	\$52,500
Redflex Invoice month 2	\$42,000
Balance unpaid month 1	\$5,500
Total Outstanding	\$47,500
Payment to Redflex	\$47,500

Check to Redflex for \$47,500 with accounting as above. No Remaining balance to carry forward this month under Cost Neutrality provisions and City retains balance of \$5,000.

BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:

- 1. Redflex construction will be able to utilize existing conduit for installation where space is available.
- 2. Each year the pricing will increase by the CPI. CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average.

3. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, Customer agrees to pay Redflex within thirty (30) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.

"Customer"

CITY OF REDDING

Name: RICK BOSETTI

Title: Mayor

"Redflex"

REDFLEX TRAFFIC SYSTEMS INC

By: _______ Name: Aaron Rosenberg

Title: Executive Vice President Redflex Traffic Systems Inc

ATTEST:

CONNIE STROHMAYER, City Clerk

Form Approved

Barry E. DeWalt Assistant City Attorney

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